

## CAPITAL PROJECTS FUNDS

The 2005 capital budgets were requested from the departments in May with a due date to be returned of June 23rd. Amounts that have been budgeted in 2004 are assumed that they will be purchased during the year.

**Capital Outlay Fund** – This fund is the primary fund used to account for new departmental capital outlays. These expenditures are funded by the tax levy and are under the direction of the department supervisor.

**Equipment Replacement Fund** - This fund is used to account for the rolling stock replacement program, which accumulates annual funding (from property taxes) for the replacement of vehicles and similar equipment in lieu of using borrowed monies.

**Street Improvement Fund** - This fund is used to account for the activities of the local road improvement program. Funding is provided by the tax levy and a every other year local road improvement grant from the State.

**Capital Improvement Fund** - This fund is used to account for land acquisitions, building projects and all public works projects and are usually funded with borrowed money or funding from some other source than the tax levy.

The Debt Service Fund supports the Capital Project Funds

**Debt Service Fund** - This fund is used to account for general obligation debt issued by the City to support the capital construction projects undertaken. Funding comes from tax levy, Special Assessments collections, Impact fees and other sources.

## **CITY OF FRANKLIN**

### **CAPITAL OUTLAY FUND**

The Capital Outlay Fund was established in 2002 to provide a single place for the purchase of new capital assets. Prior to this time the City had purchased these assets in each department of the General Fund and police vehicles were purchased through the Equipment Revolving Fund. Monies for purchases are obtained via the property tax levy, sale proceeds of retired capital assets, investment earnings on unspent monies and any unspent funds from prior years. The Equipment Revolving Fund funds and purchases major equipment replacement needs. New equipment requests are not allowed in the Equipment Revolving Fund.

The yearly amount to be funded for Capital Outlay request is based on the requests of the departments and it is the intention that although the items purchased will vary each year the amount of the levy will be approximately the same from year to year. The Capital Outlay requests detailed are included within each of the departmental budget presentations.

The requests for 2005 are high as in past years. The prior year tax levy was increased by \$100,000 reflecting growth and reflecting the need to get the tax levy support for capital outlays up to a sustainable level that could meet the needs of the community for capital outlays. The 2004 tax levy was reduced due a buildup of the fund balance that will not be available for the 2005 budget.

| CITY OF FRANKLIN<br>2004 BUDGET            |              | 2002<br>Actual | 2003<br>Actual | 2004<br>Adopted | 2004<br>Amended | 2004<br>Estimate | 2005<br>Forecast | 2005<br>Dept/Request | 2005<br>Request | 2005<br>Adopted | Percent<br>Change |
|--|--------------|----------------|----------------|-----------------|-----------------|------------------|------------------|----------------------|-----------------|-----------------|-------------------|
| <b>CAPITAL OUTLAY FUND</b>                 |              |                |                |                 |                 |                  |                  |                      |                 |                 |                   |
| <b>REVENUE</b>                             |              |                |                |                 |                 |                  |                  |                      |                 |                 |                   |
| GENERAL PROPERTY TAXES                     | 41.0000.4011 | 468,751        | 391,100        | 223,000         | 223,000         | 223,000          | 333,000          | 333,000              | 333,000         | 333,000         |                   |
| INTEREST ON INVESTMENTS                    | 41.0000.4711 | 12,892         | 3,982          | 5,000           | 5,000           | 5,000            | 5,000            | 5,000                | 5,000           | 5,000           |                   |
| INVESTMENT GAINS/LOSSES                    | 41.0000.4713 | -721           | 0              | 0               | 0               | 0                | 0                | 0                    | 0               | 0               |                   |
| PROPERTY SALES                             | 41.0000.4751 | 23,485         | 36,907         | 0               | 0               | 0                | 35,000           | 35,000               | 35,000          | 35,000          |                   |
| MISCELLANEOUS REVENUE                      | 41.0000.4799 | 84,672         | 0              | 0               | 0               | 0                | 0                | 0                    | 0               | 0               |                   |
| TRANSFER FROM OTHER FUNDS                  | 41.0000.4830 | 0              | 250,000        | 0               | 0               | 0                | 0                | 0                    | 0               | 0               |                   |
| TRANSFER FROM GENERAL FUND                 | 41.0000.4834 | 0              | 0              | 0               | 0               | 0                | 0                | 0                    | 0               | 0               |                   |
| TRANSFER FROM FUND BALANCE                 | 41.0000.4850 | 0              | 0              | 0               | 0               | 0                | 0                | 0                    | 0               | 0               |                   |
| <b>TOTAL CAPITAL OUTLAY FUND REVENUE</b>   |              | <b>589,080</b> | <b>681,989</b> | <b>228,000</b>  | <b>228,000</b>  | <b>228,000</b>   | <b>373,000</b>   | <b>373,000</b>       | <b>373,000</b>  | <b>373,000</b>  | <b>63.6%</b>      |
| <b>EXPENDITURES</b>                        |              |                |                |                 |                 |                  |                  |                      |                 |                 |                   |
| <b>General Government:</b>                 |              |                |                |                 |                 |                  |                  |                      |                 |                 |                   |
| Municipal Court                            | 41-121       | 0              | 0              | 0               | 0               | 0                | 0                | 1,000                | 1,000           | 1,000           |                   |
| City Clerk                                 | 41-141       | 3,062          | 1,337          | 0               | 0               | 0                | 0                | 0                    | 0               | 0               |                   |
| Elections                                  | 41-142       | 0              | 3,471          | 0               | 0               | 0                | 0                | 5,450                | 5,450           | 5,450           |                   |
| Information Services                       | 41-144       | 32,095         | 25,035         | 31,200          | 31,200          | 31,200           | 31,200           | 25,000               | 25,000          | 25,000          |                   |
| Administration                             | 41-147       | 3,554          | 6,277          | 8,500           | 8,500           | 8,500            | 8,500            | 6,000                | 6,000           | 6,000           |                   |
| Human Resources                            | 41-148       | 583            | 0              | 0               | 0               | 0                | 0                | 500                  | 500             | 500             |                   |
| Finance                                    | 41-151       | -400           | 20,777         | 1,500           | 1,500           | 1,500            | 1,500            | 3,000                | 3,000           | 3,000           |                   |
| Assessor                                   | 41-154       | 3,282          | 0              | 0               | 0               | 0                | 0                | 12,600               | 12,600          | 12,600          |                   |
| Treasurer                                  | 41-156       | 0              | 5,050          | 4,300           | 4,300           | 4,300            | 4,300            | 4,500                | 4,500           | 4,500           |                   |
| Municipal Buildings                        | 41-181       | 22,977         | 9,340          | 12,325          | 12,325          | 12,325           | 12,325           | 38,800               | 13,800          | 13,800          |                   |
| <b>Total General Government</b>            |              | <b>65,153</b>  | <b>71,287</b>  | <b>57,825</b>   | <b>57,825</b>   | <b>57,825</b>    | <b>57,825</b>    | <b>96,850</b>        | <b>71,850</b>   | <b>71,850</b>   | <b>24.3%</b>      |
| <b>Public Safety:</b>                      |              |                |                |                 |                 |                  |                  |                      |                 |                 |                   |
| Police                                     | 41-211       | 263,777        | 304,655        | 187,400         | 187,400         | 187,400          | 187,400          | 341,492              | 216,492         | 216,492         |                   |
| Fire                                       | 41-221       | 27,036         | 56,922         | 57,600          | 57,600          | 57,600           | 57,600           | 74,800               | 62,800          | 62,800          |                   |
| Building Inspection                        | 41-231       | 3,401          | 34,275         | 6,425           | 8,825           | 8,825            | 6,425            | 10,625               | 10,625          | 10,625          |                   |
| <b>Total Public Safety</b>                 |              | <b>294,214</b> | <b>395,852</b> | <b>251,425</b>  | <b>253,825</b>  | <b>253,825</b>   | <b>251,425</b>   | <b>426,917</b>       | <b>289,917</b>  | <b>289,917</b>  | <b>15.3%</b>      |
| <b>Public Works:</b>                       |              |                |                |                 |                 |                  |                  |                      |                 |                 |                   |
| Engineering                                | 41-321       | 139            | 8,692          | 9,000           | 9,000           | 9,000            | 9,000            | 16,300               | 7,300           | 7,300           |                   |
| Highway                                    | 41-331       | 41,264         | 29,923         | 134,225         | 134,225         | 134,225          | 34,200           | 168,625              | 43,625          | 43,625          |                   |
| Street Lighting                            | 41-351       | 4,769          | 6,000          | 6,000           | 6,000           | 6,000            | 6,000            | 6,000                | 6,000           | 6,000           |                   |
| <b>Total Public Works</b>                  |              | <b>46,172</b>  | <b>44,615</b>  | <b>149,225</b>  | <b>149,225</b>  | <b>149,225</b>   | <b>49,200</b>    | <b>190,925</b>       | <b>56,925</b>   | <b>56,925</b>   | <b>-61.9%</b>     |
| <b>Health and Human Services:</b>          |              |                |                |                 |                 |                  |                  |                      |                 |                 |                   |
| Public Health                              | 41-411       | 280            | 592            | 5,800           | 5,800           | 5,800            | 5,800            | 0                    | 0               | 0               |                   |
| <b>Total Health and Human Services</b>     |              | <b>280</b>     | <b>592</b>     | <b>5,800</b>    | <b>5,800</b>    | <b>5,800</b>     | <b>5,800</b>     | <b>0</b>             | <b>0</b>        | <b>0</b>        | <b>-100.0%</b>    |
| <b>Culture and Recreation:</b>             |              |                |                |                 |                 |                  |                  |                      |                 |                 |                   |
| Parks                                      | 41-551       | 14,639         | 9,975          | 8,750           | 12,350          | 12,350           | 8,750            | 12,500               | 12,500          | 12,500          |                   |
| <b>Total Culture and Recreation</b>        |              | <b>14,639</b>  | <b>9,975</b>   | <b>8,750</b>    | <b>12,350</b>   | <b>12,350</b>    | <b>8,750</b>     | <b>12,500</b>        | <b>12,500</b>   | <b>12,500</b>   | <b>42.9%</b>      |
| <b>Conservation and Development:</b>       |              |                |                |                 |                 |                  |                  |                      |                 |                 |                   |
| Community Development                      | 41-611       | 1,417          | 0              | 0               | 0               | 0                | 0                | 0                    | 0               | 0               |                   |
| Planning                                   | 41-621       | 3,471          | 2,233          | 0               | 0               | 0                | 0                | 0                    | 0               | 0               |                   |
| Economic Development                       | 41-641       | 0              | 0              | 0               | 0               | 0                | 0                | 0                    | 0               | 0               |                   |
| <b>Total Conservation and Development</b>  |              | <b>4,888</b>   | <b>2,233</b>   | <b>0</b>        | <b>0</b>        | <b>0</b>         | <b>0</b>         | <b>0</b>             | <b>0</b>        | <b>0</b>        | <b>#DIV/0!</b>    |
| <b>Total Capital Outlay Expenditures</b>   |              | <b>425,346</b> | <b>524,554</b> | <b>473,025</b>  | <b>479,025</b>  | <b>479,025</b>   | <b>373,000</b>   | <b>727,192</b>       | <b>431,192</b>  | <b>431,192</b>  | <b>-8.8%</b>      |
| <b>Excess of revenue over expenditures</b> |              | <b>163,733</b> | <b>157,435</b> | <b>-245,025</b> | <b>-251,025</b> | <b>-251,025</b>  | <b>0</b>         | <b>-354,192</b>      | <b>-58,192</b>  | <b>-58,192</b>  |                   |
| <b>Fund Balance, Beginning of Period</b>   |              | <b>0</b>       | <b>163,733</b> | <b>321,168</b>  | <b>321,168</b>  | <b>321,168</b>   | <b>70,143</b>    | <b>70,143</b>        | <b>70,143</b>   | <b>70,143</b>   |                   |
| <b>Fund Balance, End of Period</b>         |              | <b>163,733</b> | <b>321,168</b> | <b>76,143</b>   | <b>70,143</b>   | <b>70,143</b>    | <b>70,143</b>    | <b>-284,049</b>      | <b>11,951</b>   | <b>11,951</b>   |                   |

# **CITY OF FRANKLIN**

## **EQUIPMENT REVOLVING FUND**

The Equipment Revolving Fund was established in 1996 to provide resources for the replacement of rolling stock and similar equipment. Prior to this time the City borrowed funds for such items over a three-year cycle. Monies for purchases are obtained via the property tax levy, sale proceeds of retired rolling stock and investment earnings on monies in the revolving fund.

The yearly amount to be funded is based on the annual depreciation cost for the equipment used by the City, calculated using the estimated replacement cost at the expected time of replacement, divided by the expected useful life of the piece of equipment. The replacement cost is estimated using recent acquisition costs plus an inflation factor. Costs of vehicles replaced to date under the program have been in line with the estimated replacement cost.

During the period 1996 through 2000 in addition to the annual tax levy funding, transfers from the General Fund and other capital funds were made in totaling \$1,630,000, to partially fund prior year unfunded depreciation. During 2001 the funding goal was changed from funding the entire accumulated depreciation to funding a percentage of the replacement cost of assets in the fund currently 8% to 12%. In addition a minimum purchase amount (\$20,000) and minimum life (seven years) requirements were added to fund policies. The change in the funding goal reduced the amount of funding needed to support this fund.

Expenditures for vehicle purchases fluctuate on an annual basis, depending on the need for replacement and condition of vehicles scheduled for replacement. However, the amounts funded via the tax levy is dependant upon the number of new vehicles added to the fleet and the depreciation status when vehicles are replaced. The goal of the program is to keep a relatively constant tax levy for the foreseeable future. Caution and planning needs to be exercised when additional vehicles are added to the fleet since these additions will impact future funding needs.

In 2003 because of the low level of items scheduled for replacement tax levy funding planned for this fund was transferred to the capital outlay fund for that year. For 2005 the equipment revolving funding requests approximate the tax and other revenue to be received. The expected replacements over the next five years are as follows:

2006 – \$193,189  
2007 – \$278,758  
2008 – \$613,799  
2009 – \$141,701  
2010 – \$205,073

| CITY OF FRANKLIN<br>2004 BUDGET                    |                  | 2002<br>Actual   | 2003<br>Actual   | 2004<br>Adopted  | 2004<br>Amended  | 2004<br>Estimate | 2005<br>Forecast | 2005<br>Dept/Request | 2005<br>Request  | 2005<br>Adopted  | Percent<br>Change |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------------|------------------|------------------|-------------------|
| <b>EQUIPMENT REVOLVING FUND</b>                    |                  |                  |                  |                  |                  |                  |                  |                      |                  |                  |                   |
| <b>REVENUE</b>                                     |                  |                  |                  |                  |                  |                  |                  |                      |                  |                  |                   |
| GENERAL PROPERTY TAXES                             | 42.0000.4011     | \$455,000        | \$270,000        | \$255,000        | \$255,000        | \$255,000        | \$266,000        | \$266,000            | \$250,000        | \$250,000        |                   |
| INTEREST ON INVESTMENTS                            | 42.0000.4711     | 68,733           | 19,276           | 50,000           | 50,000           | 50,000           | 30,000           | 30,000               | 30,000           | 30,000           |                   |
| INVESTMENT GAINS/LOSSES                            | 42.0000.4713     | -3,843           | 0                | 0                | 0                | 0                | 0                | 0                    | 0                | 0                |                   |
| PROPERTY SALES                                     | 42.0000.4751     | 0                | 0                | 0                | 26,000           | 26,000           | 0                | 0                    | 0                | 0                |                   |
| MISCELLANEOUS REVENUE                              | 42.0000.4799     | 0                | 0                | 0                | 0                | 0                | 0                | 0                    | 0                | 0                |                   |
| TRANSFER FROM OTHER FUNDS                          | 42.0000.4830     | 0                | 0                | 0                | 4,200            | 4,200            | 0                | 0                    | 0                | 0                |                   |
| TRANSFER FROM GENERAL FUND                         | 42.0000.4834     | 0                | 0                | 0                | 0                | 0                | 0                | 0                    | 0                | 0                |                   |
| TRANSFER FROM FUND BALANCE                         | 42.0000.4850     | 0                | 0                | 0                | 0                | 0                | 0                | 0                    | 0                | 0                |                   |
| <b>TOTAL EQUIPMENT REVOLVING FUND REVENUE</b>      |                  | <b>\$519,889</b> | <b>\$289,276</b> | <b>\$305,000</b> | <b>\$335,200</b> | <b>\$335,200</b> | <b>\$296,000</b> | <b>\$296,000</b>     | <b>\$280,000</b> | <b>\$280,000</b> | <b>-8.2%</b>      |
| <b>EXPENDITURES</b>                                |                  |                  |                  |                  |                  |                  |                  |                      |                  |                  |                   |
| <b>CAPITAL OUTLAY</b>                              |                  |                  |                  |                  |                  |                  |                  |                      |                  |                  |                   |
| MUNICIPAL BUILDINGS<br>AUTO EQUIPMENT              | 42.181.0000.5811 | 0                | 0                | 0                | 0                | 0                | 0                | 0                    | 0                | 0                |                   |
| POLICE DEPARTMENT<br>AUTO EQUIPMENT                | 42.211.0000.5811 | 0                | 0                | 0                | 0                | 0                | 0                | 0                    | 0                | 0                |                   |
| FIRE DEPARTMENT<br>AUTO EQUIPMENT                  | 42.221.0000.5811 | 310,852          | 0                | 123,000          | 153,200          | 153,200          | 123,000          | 135,000              | 135,000          | 135,000          |                   |
| BUILDING INSPECTION<br>AUTO EQUIPMENT              | 42.231.0000.5811 | 20,010           | 0                | 0                | 0                | 0                | 0                | 0                    | 0                | 0                |                   |
| ENGINEERING<br>AUTO EQUIPMENT                      | 42.321.0000.5811 | 0                | 43,419           | 0                | 0                | 0                | 0                | 0                    | 0                | 0                |                   |
| PUBLIC WORKS<br>AUTO EQUIPMENT                     | 42.331.0000.5811 | 58,290           | 48,785           | 100,000          | 100,000          | 100,000          | 100,000          | 145,000              | 145,000          | 145,000          |                   |
| Sub-total  |                  | 389,152          | 92,204           | 223,000          | 253,200          | 253,200          | 296,000          | 280,000              | 280,000          | 280,000          | 25.6%             |
| <b>OTHER FINANCING USES</b>                        |                  |                  |                  |                  |                  |                  |                  |                      |                  |                  |                   |
| TRANSFER TO CAPITAL IMPROVEMENT                    | 42.998.0000.5589 | 0                | 0                | 0                | 0                | 0                | 0                | 0                    | 0                | 0                |                   |
| TRANSFER TO CAPITAL OUTLAY                         | 42.998.0000.5589 | 0                | 250,000          | 0                | 0                | 0                | 0                | 0                    | 0                | 0                |                   |
| <b>TOTAL EQUIPMENT REVOLVING FUND EXPENDITURES</b> |                  | <b>389,152</b>   | <b>342,204</b>   | <b>223,000</b>   | <b>253,200</b>   | <b>253,200</b>   | <b>296,000</b>   | <b>280,000</b>       | <b>280,000</b>   | <b>280,000</b>   | <b>25.6%</b>      |
| Excess of revenue over expenditures                |                  | 130,737          | -52,928          | 82,000           | 82,000           | 82,000           | 0                | 16,000               | 0                | 0                |                   |
| FUND BALANCE, BEGINNING OF PERIOD                  |                  | 1,756,740        | 1,887,477        | 1,834,549        | 1,834,549        | 1,834,549        | 1,916,549        | 1,916,549            | 1,916,549        | 1,916,549        |                   |
| FUND BALANCE, END OF PERIOD                        |                  | \$1,887,477      | \$1,834,549      | \$1,916,549      | \$1,916,549      | \$1,916,549      | \$1,916,549      | \$1,932,549          | \$1,916,549      | \$1,916,549      |                   |

City of Franklin  
Equipment Revolving Fund  
Listing of Vehicles Proposed to be Acquired - 2005

| <u>Description</u>                                  | <u>Amount</u>  | <u>Replaces:<br/>Vehicle<br/>No.</u> | <u>Description</u>                            |
|---|----------------|--------------------------------------|---|
| Fire Department<br>Water Supply Tanker *            | <u>135,000</u> | 215                                  | 1972 Ford Melray Tanker                       |
| Highway Department<br>Tandem Axle Dump Truck w Plow | 100,000        | 729                                  | 1986 Single Axle Dump Truck                   |
| Utility Dump Truck w/ Plow<br>& Salt Spreader       | 45,000         | 749                                  | Utility Dump Truck w/ Plow<br>& Salt Spreader |
| Total Highway Department                            | <u>145,000</u> |                                      |   |

Total 2005 Equipment Acquisitions      \$280,000

\* Requires Commom Council approval prior to ordering

# CITY OF FRANKLIN

## STREET IMPROVEMENT FUND

The Street Improvement Fund was established as a separate fund in 2001. From 1998 to 2000 the City budgeted these funds as part of the Capital Projects Fund. During 1996 & 1997 they were budgeted as part of the Highway Department. Prior to that time these expenses were funded by issuing debt.

This pavement resurfacing program provides the funds to complete major maintenance (resurfacing) of the City's 152 miles of local streets. The City is at a critical point relative to street maintenance due to the following factors:

- The newer curb and gutter streets that were constructed in the urban subdivisions beginning in the late 1960's are now reaching the condition that require certain streets to be resurfaced. A life of 30 years for pavement is considered very good.
- Beginning in the late 1960's the City began an aggressive program of sanitary sewer installation. In 1969 only about 5 percent of the City was served by sanitary sewer and presently about 95 percent of the City is served by sanitary sewer. An offshoot of the sanitary sewer installation program was the reconstruction of the streets that were included as part of the sanitary sewer installation. Now, the streets that were reconstructed as part of the sanitary sewer installation are reaching a point that reconstruction is necessary.

A rough estimated cost in 2004 dollars to reconstruct the City's 152 miles of streets is estimated as follows - 152 miles x \$168,174 per mile = \$25,562,500. To reconstruct the City streets every 30 years requires an estimated 5.1 miles of pavement resurfacing each year. This amounts to annual funding of \$852,000 per year for the next 30 years at today's costs. Funding for the street improvement program comes from two sources: an every other year state grant of \$75,000 for Local Road Improvements and the property tax levy. The 2005 tax levy requested from this fund has been increased by \$50,000 from \$700,000 in 2004 to \$730,000 in the 2005 budget.

During 2004 approximately 3.8 miles of streets were resurfaced. This lower amount of streets resurfaced was due to arterial streets being resurfaced a much more costly process. The formula for determination of the annual amount of funding divides the City streets into three categories: arterial streets, urban streets and rural street with each having a different cost per mile and a different useful life. The result of the formula is the 2005 funding needed in the Street Improvement Fund detailed as follows:

Arterial streets  $\$456,000 \times 11.5 \text{ miles} = \$5,506,000 / 20 \text{ years} = \$275,310$

Urban streets  $\$186,900 \times 85.8 \text{ miles} = \$16,036,000 / 30 \text{ years} = \$534,534$

Rural streets  $\$110,250 \times 54.5 \text{ miles} = \$6,009,000 / 25 \text{ years} = \$240,345$

The annual funding needs under this funding formula amount to \$1,050,189. The Common Council will need to increase the funding to this fund over a period of time to continue to be able to resurface five plus miles of local roads per year.

| CITY OF FRANKLIN                           |                  | 2002      | 2003      | 2004      | 2004      | 2004      | 2005      | 2005         | 2005      | 2005      | Percent |
|--|------------------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|-----------|-----------|---------|
| 2004 BUDGET                                |                  | Actual    | Actual    | Adopted   | Amended   | Estimate  | Forecast  | Dept/Request | Request   | Adopted   | Change  |
| <b>STREET IMPROVEMENT FUND</b>             |                  |           |           |           |           |           |           |              |           |           |         |
| <b>REVENUE</b>                             |                  |           |           |           |           |           |           |              |           |           |         |
| General Property Taxes                     | 47.0000.4011     | \$520,000 | \$644,000 | \$700,000 | \$700,000 | \$700,000 | \$750,000 | \$750,000    | \$730,000 | \$730,000 |         |
| Local Road Improvements Aids               | 47.0000.4151     | 74,139    | 49,160    | 75,000    | 75,000    | 75,000    | 0         | 0            | 0         | 0         |         |
| Interest on Investments                    | 47.0000.4711     | 13,796    | 4,420     | 10,000    | 10,000    | 10,000    | 6,000     | 6,000        | 6,000     | 6,000     |         |
| Investment Gains/Losses                    | 47.0000.4713     | -771      | 0         | 0         | 0         | 0         | 0         | 0            | 0         | 0         |         |
| Miscellaneous Revenue                      | 47.0000.4799     | 0         | 0         | 0         | 0         | 0         | 0         | 0            | 0         | 0         |         |
| Transfer From Other Funds                  | 47.0000.4830     | 0         | 0         | 0         | 0         | 0         | 0         | 0            | 0         | 0         |         |
| Transfer From Fund Balance                 | 47.0000.4850     | 0         | 0         | 0         | 0         | 0         | 0         | 0            | 0         | 0         |         |
| Total Revenue                              |                  | \$607,164 | \$697,580 | \$785,000 | \$785,000 | \$785,000 | \$756,000 | \$756,000    | \$736,000 | \$736,000 | -6.2%   |
| <b>EXPENDITURES</b>                        |                  |           |           |           |           |           |           |              |           |           |         |
| Local Street Improvement Program           | 47.000.9500.5823 | 0         | 0         | 469,000   | 469,000   | 469,000   | 746,800   | 746,800      | 746,800   | 746,800   |         |
| 2001 Street Improvement Program            | 47.000.950x.5823 | 0         | 0         | 0         | 0         | 0         | 0         | 0            | 0         | 0         |         |
| 2000 Street Improvement Program            | 47.000.9511.5823 | 0         | 0         | 0         | 0         | 0         | 0         | 0            | 0         | 0         |         |
| 2002 Street Improvement Program            | 47.000.9521.5823 | 527,203   | 0         | 0         | 0         | 0         | 0         | 0            | 0         | 0         |         |
| 2003 Street Improvement Program            |                  | 0         | 475,458   |           |           |           |           |              |           |           |         |
| OTHER FINANCING USES                       |                  |           |           |           |           |           |           |              |           |           |         |
| TRANSFER TO CAPITAL IMPROVEMENT            | 47.000.0000.5598 | 64,300    | 99,300    | 328,000   | 328,000   | 328,000   | 74,200    | 74,200       | 74,200    | 74,200    |         |
| Total Street Improvement Fund Expenditures |                  | 591,503   | 574,758   | 797,000   | 797,000   | 797,000   | 821,000   | 821,000      | 821,000   | 821,000   | 3.0%    |
| Excess of revenue over expenditures        |                  | 15,660    | 122,822   | -12,000   | -12,000   | -12,000   | -65,000   | -65,000      | -85,000   | -85,000   |         |
| Net Assets, Beginning of Period            |                  | 79,192    | 94,853    | 217,675   | 217,675   | 217,675   | 205,675   | 205,675      | 205,675   | 205,675   |         |
| Net Assets, End of Period                  |                  | \$94,853  | \$217,675 | \$205,675 | \$205,675 | \$205,675 | \$140,675 | \$140,675    | \$120,675 | \$120,675 |         |



# CITY OF FRANKLIN

## CAPITAL IMPROVEMENT FUND 2005 BUDGET AND CAPITAL IMPROVEMENT PLAN

Establishing a capital improvement plan (CIP) is an important financial planning tool to allow the City to structure the review and funding of capital improvement projects competing for limited resources. A CIP helps to schedule the availability of resources to meet needs when they occur. Annually the Council adopts a capital budget, which is the first year of the CIP, which details the projects to be accomplished in the coming year. Changes to project amounts or additions to the budget need to be approved by the Council, similar to other funds with adopted budgets.

As a general guideline, capital improvement expenditures are defined as those amounts expended for infrastructure with long useful lives that would require significant amounts of funds. The resurfacing of City streets is funded through the Street Improvement Fund. Rolling stock and similar equipment replacements are funded via the City's Equipment Revolving Fund. Replacement of equipment used in department operations costing less than \$20,000 and new types of equipment are funded as part of each department's Capital Outlay Fund budget.

Revenue sources used for capital improvements can include long-term debt, grants, transfers from other funds, property tax levy, and interest earnings. Typically the City has used long-term debt to fund its capital expenditures. Another indirect source of funding for infrastructure improvements is special assessments. When the City makes improvements such as sewer, water, or other infrastructure, the abutting property owners are assessed their pro-rata share of the cost. The construction costs for assessment projects are paid with borrowed funds, and assessment collections then are used to apply to a portion of the debt service on the borrowed monies.

The City's CIP is refined annually to include approved and pending projects as a result of planning efforts from the Council and other boards or commissions. For the 2005 budget, the following projects are contemplated:

Southwood Watershed Improvements – This project has been delayed until 2005. The project is to improve the flow of water and reduce the chance of flooding in the area.

Industrial Park Road Improvements – 2005 is the fourth year of a five year effort to reconstruct the roads in the Industrial Park. The roads are to be reconstructed with curb and gutters and concrete storm sewers and inlets. Funding for this project will come from available funding, special assessments and from the Street Improvement Fund.

Park Development – Development work is planned in Lions Legend, Ernie Lake, Workman Parks and the Mission Hill wetlands area this year. (\$469,720). City funds and Impact fees are anticipated to cover the costs of these projects.

92nd Street Box Culvert – The replacement of this deteriorating box culvert is scheduled for this year.

Future capital projects are included in the capital improvement plan. Those projects have not been authorized, scheduled or approved. The source for the listing of projects was the 2002 Impact fee study and all information is from that report.

Future Park Improvements – The City is committed to the future improvement of its park system. To assist the parks committee in planning future developments, needs have been projected for future projects through 2009.

Also currently under study is development and infrastructure costs in the 27<sup>th</sup> Street corridor. The costs and financing of those costs are currently under discussion and may have an impact on the Capital Improvement Fund in future years.

## **2006**

Land for a new Fire Station #3 – Station to be located in the 51<sup>st</sup> Street and Rawson Avenue area

Ryan Road Road Improvements – 27<sup>th</sup> Street to Root River. The City's share of a State project to improve Ryan Road.

Park Acquisition and Development – The acquisition of three neighborhood, two special and eight mini parks and the development of two parks are scheduled. (\$1,313,950)

## **2007**

76<sup>th</sup> Street Road Improvements – Terrace Drive to Puetz Road. The City's share of a County project to improve 76<sup>th</sup> Street. Note if the funding change proposed by the County prevails the City's portion of this project could triple or cause the project to be delayed.

College Avenue Road Improvements – 27<sup>th</sup> Street to 43<sup>rd</sup> Street. The City's share of a County project to improve College Avenue.

Replace Fire Station #3 – Station to be located in the 51<sup>st</sup> Street and Rawson Avenue area

Park Development – The development of six park sites are scheduled this year. (\$1,236,000)

Land for the Community Recreation Center – Location and purchase of land (\$53,000)

## **2008**

Park Development – The development of one park site is scheduled this year. (\$882,000)

## **2009**

Community Recreation Center – The development of a recreation center is scheduled for this year (\$7,600,000)

Park Development – The development of one park site is scheduled this year. (\$1,088,780)

**City of Franklin  
Capital Improvement Plan  
2004-2009**

|   |                  | <u>2004</u><br><u>Amended</u> | <u>2004</u><br><u>Forecast</u> | <u>2005</u><br><u>Adopted</u> | <u>2006</u>      | <u>2007</u>      | <u>2008</u>     | <u>2009</u>      |  |
|---|------------------|-------------------------------|--------------------------------|-------------------------------|------------------|------------------|-----------------|------------------|--|
| <b>Revenue:</b>                           |                  |                               |                                |                               |                  |                  |                 |                  |  |
| Proceeds from borrowing-10 year           | 46.0000.4911     |                               |                                |                               |                  | 3,175,000        |                 |                  |  |
| Grants and donations                      |                  |                               |                                |                               | 656,975          | 644,500          | 441,000         | 4,344,390        |  |
| Miscellaneous Revenue                     | 46.0756.4799     |                               |                                | 6,500                         |                  |                  |                 |                  |  |
| Transfer from Connection Fees - Sewer     | 46.0756.4833     | 1,703,000                     | 1,703,000                      |                               |                  |                  |                 |                  |  |
| Transfer from Connection Fees - Water     | 46.0755.4833     |                               |                                |                               |                  |                  |                 |                  |  |
| Transfer from Impact Fees-Development     | 46.0000.4839     | 38,000                        |                                | 289,370                       | 656,975          | 644,500          | 441,000         | 4,344,390        |  |
| Transfer from Special Assessments         | 46.0000.4835     | 180,000                       |                                |                               |                  |                  |                 |                  |  |
| Transfer from Street Improvement Fund     | 46.0000.4838     | 328,000                       | 328,000                        | 74,200                        | 72,800           | -                | -               | -                |  |
| Transfer from General Fund                | 46.0000.4830     | -                             | -                              | -                             | -                | -                | -               | -                |  |
| Interest revenue                          | 46.0000.4711     | 25,000                        | 25,000                         | 25,000                        | 15,000           | 15,000           | 15,000          | 15,000           |  |
| <b>Total Revenue</b>                      |                  | <b>2,274,000</b>              | <b>2,056,000</b>               | <b>395,070</b>                | <b>1,401,750</b> | <b>4,479,000</b> | <b>897,000</b>  | <b>8,703,780</b> |  |
| <b>Expenditures:</b>                      |                  |                               |                                |                               |                  |                  |                 |                  |  |
| <b>Approved Projects:</b>                 |                  |                               |                                |                               |                  |                  |                 |                  |  |
| City Hall Remodeling-City portion         | 46.181.9653.5822 | 167,500                       | 161,761                        |                               |                  |                  |                 |                  |  |
| Rawson Avenue/68th St Traffic Signal      |                  |                               |                                | 13,000                        |                  |                  |                 |                  |  |
| Industrial Park Road Improvements         | 46.331.0000.5823 | 179,400                       | 179,400                        | 243,700                       | 232,100          |                  |                 |                  |  |
| Ryan Road - 27th St to Root river         |                  |                               |                                |                               | 350,000          |                  |                 |                  |  |
| Southwood Watershed Improvements          | 46.000.9978.5831 | 205,000                       | 4,589                          | 394,000                       |                  |                  |                 |                  |  |
| Land Management System                    | 46.000.9993.5219 |                               | 16,000                         |                               |                  |                  |                 |                  |  |
| Brianwood Sewer Project                   | 46.756.9254.5829 | 1,980,000                     | 1,980,000                      |                               |                  |                  |                 |                  |  |
| Interest Expense                          | 46.000.0000.5621 | 20,000                        |                                |                               |                  |                  |                 |                  |  |
| Bond Issue Costs                          | 46.000.0000.5601 |                               |                                | -                             | -                | 75,000           |                 |                  |  |
| <b>Total Approved Projects</b>            |                  | <b>2,551,900</b>              | <b>2,341,750</b>               | <b>650,700</b>                | <b>582,100</b>   |                  |                 |                  |  |
| <b>Projects Pending Approval:</b>         |                  |                               |                                |                               |                  |                  |                 |                  |  |
| Website Redevelopment                     |                  |                               |                                | 75,000                        |                  |                  |                 |                  |  |
| Lake Ernie Dredging                       |                  | 85,000                        |                                | 85,000                        |                  |                  |                 |                  |  |
| South 76th St - Puetz to Imperial Dr      | 46.000.9249.5829 | 10,000                        |                                | 10,000                        |                  | 1,050,000        |                 |                  |  |
| College Avenue S27th St to S43rd St       |                  |                               |                                |                               |                  | 1,150,000        |                 |                  |  |
| New Fire Station # 3                      |                  |                               |                                |                               | 375,000          | 960,000          |                 |                  |  |
| Box Culvert S 92nd Street                 |                  |                               |                                | 75,000                        |                  |                  |                 |                  |  |
| Future Park Improvements-Parks TBD        | 46.999.0000.5499 |                               |                                |                               |                  |                  |                 |                  |  |
| Lions Legend Park                         | 46.000.9803.5832 |                               |                                | 218,500                       |                  |                  |                 |                  |  |
| Ernie Lake Park                           |                  |                               |                                | 44,950                        |                  |                  |                 |                  |  |
| Mission Hills Wetland Area                |                  |                               |                                | 35,050                        |                  |                  |                 |                  |  |
| Workman Park                              | 46.000.9804.5832 |                               |                                | 171,220                       |                  |                  |                 |                  |  |
| Park Site Acquisition                     |                  |                               |                                |                               | 458,000          |                  |                 |                  |  |
| Park Site Development                     |                  |                               |                                |                               | 855,950          | 1,236,000        | 882,000         | 1,088,780        |  |
| Community Recreation Center               |                  |                               |                                |                               |                  | 53,000           |                 | 7,600,000        |  |
| Other                                     |                  |                               |                                | 25,000                        |                  |                  |                 |                  |  |
| <b>Total Projects not yet Approved</b>    |                  | <b>95,000</b>                 |                                | <b>739,720</b>                | <b>1,688,950</b> | <b>4,449,000</b> | <b>882,000</b>  | <b>8,688,780</b> |  |
| <b>Total expenditures</b>                 |                  | <b>2,646,900</b>              | <b>2,341,750</b>               | <b>1,390,420</b>              | <b>2,271,050</b> | <b>4,524,000</b> | <b>882,000</b>  | <b>8,688,780</b> |  |
| <b>Beginning fund balance (projected)</b> |                  | <b>2,184,384</b>              | <b>2,184,384</b>               | <b>1,898,634</b>              | <b>903,284</b>   | <b>33,984</b>    | <b>(11,016)</b> | <b>3,984</b>     |  |
| <b>Ending fund balance</b>                |                  | <b>1,811,484</b>              | <b>1,898,634</b>               | <b>903,284</b>                | <b>33,984</b>    | <b>(11,016)</b>  | <b>3,984</b>    | <b>18,984</b>    |  |